

SELLING DIGITAL ART FOR OVER \$50,000,000 ONLINE

Digital artist Mike Winkelmann (Beeple) is among the largest NFT creators. This individual sale for 'EVERYDAYS: THE FIRST 5000 DAYS' is the largest NFT sale to date and the third largest art sale of any living artist (although it is actually a collation of over 5,000 works which Winkelmann has been producing since 2007) The winning bidder paid in Ether (the token from the Ethereum blockchain)

Digital art has been a rapidly growing market and (currently) the best way to trade these artworks are through something called NFTs.

NFT stands for Non-Fungible Token. They are linked to regular cryptocurrencies such as Bitcoin or Ethereum, however unlike NFTs these popular coins are fungible, meaning that they can be traded (for a different coins and they can also be cut

in half providing you with half a bitcoin etc.)

A piece of cryptoart which is a non-fungible token, (NFT) cannot be broken apart, and cannot be swapped for another NFT without entering a marketplace.

NFTs / Cryptoart are pieces of metadata which include images, links, file creators, datestamps, contracts/texts, the purchaser of the NFTs etc etc. They are what makes digital art tradable. Each NFT can be considered a trading card with an individual value, however this value is largely affected by the general market

value of NFTs as a concept, the Ethereum network and cryptocurrency in general.

This intricate web on which Cryptoart exist is the reason many are nervous about investing in digital art as Bitcoin is not exactly known for its stability...

Another reason people may be sceptical of this new method of trading is the huge environmental impact of Cryptoart, NFTs and Digital Currency in general.

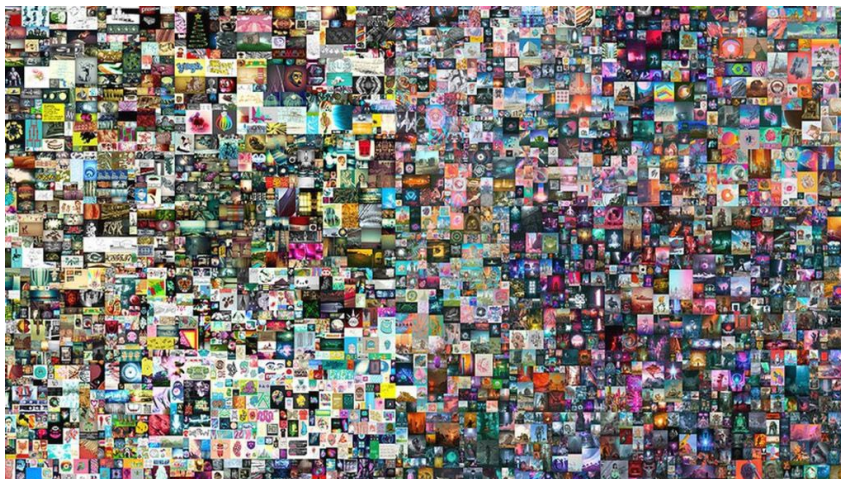
To make one bitcoin (or any other crypto token), you need 'miners' who compete against eachother with specialised computers to

power is committed in order to improve chances of finding tokens. The reason behind this is to keep the rate of new tokens mined the same (1 bitcoin 'coin' is mined every 10 minutes)

To solve the problem of more computers mining, the proof of work puzzles get harder. Miners get more computers, better GPUs. The puzzles get harder. Miners move to places with cheap electricity. The puzzles get harder. Miners retrofit warehouses, air-condition shipping containers. The puzzles get harder. Monumentally harder. After over a decade of a growing cryptocurrency market, what we've been left with is a financial network that uses more energy than Argentina.

Energy production is the largest CO2e emitter in the world and while a reported nearly 40% of the power used to mine cryptocurrency is coming from renewables this is still an

enormous amount of energy which is being taken from the grid. Even if all electricity production was 100% renewables there are still carbon impacts in the production of renewable energy sources (dams, windmills etc) The industry needs to resolve this issue, but this will be hard to do with no regulatory structure or federal oversight (as they are currently operating).



solve puzzles in order to validate blocks on the cryptocurrencies' blockchain. A successful solution- (which is somewhat rare) rewards the miner with the new coin. The more a computer "works" (the more energy is expended) the more competitive it is. You can think of it as a lottery, with every kilowatt-hour a ticket. This process is called mining.

As cryptocurrencies become more popular their value increases. As their value increases more people look to mine for these tokens, however the more people mining means the chances of finding tokens is reduced. Meaning more

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